

Best Practice Guidelines for Transit or Trans-shipment

(Agreed at the 2015 Plenary)

The diversion of items in transit or trans-shipment to unauthorized end-uses or end-users can pose significant risks to international trade and security. Participating States of the Wassenaar Arrangement share a responsibility for preventing the abuse of legitimate transit and trans-shipment trade through our territories.

The following Best Practices provide tools that Participating States may choose to adopt to identify and to mitigate the risk of illicit diversion of items in transit or trans-shipment. These Best Practices are designed to be consistent with the purposes of the Wassenaar Arrangement and may be used by Participating States to assist in meeting international obligations and commitments.

Participating States should:

- Establish and apply a transparent legal and regulatory system that allows, where appropriate, the authority to control items in transit or trans-shipment, including the authority to, where necessary and appropriate, stop, inspect and seize a shipment, as well as legal grounds to dispose of a seized shipment¹ when law enforcement activities are completed.² This authority should extend fully to activities taking place in special Customs areas located within a sovereign state's territory, such as free-trade zones, foreign trade zones and export processing zones.
- Require, where appropriate, authorizations in accordance with national law for the transit or trans-shipment of listed munitions and dual-use items, as well as for unlisted items (*i.e.*, catch-all authority controls), where there is reliable information that the items are intended to be used in prohibited military or terrorist uses, or that otherwise pose a security concern. Coordination and communication with exporting and importing countries may be required, as appropriate, to ensure that listed items intended for transit or trans-shipment have been properly authorized for export or import.
- Utilise an intelligence-led, risk based approach to identifying cargoes and known end-users of concern, including through the use of internationally endorsed requirements for manifest collections in advance of the arrival of all controlled goods. This approach should enable the identification of inconsistencies that raise suspicion, in time to stop and seize items where necessary and appropriate, while taking into account increasing trade volumes and complexities of supply chains, so that available resources can be deployed in an efficient and targeted manner.³

¹ For example, by administrative proceeding or court order.

² Examples of legal instruments may be export control laws, Customs laws, national security laws, penal laws, general transportation laws, laws addressed to ground/aviation/seafaring transportation, laws addressed to freight forwarders/shipping companies, etc.

³ The World Customs Organization (WCO) SAFE Framework provides a multilaterally accepted data model to simplify for shippers how this information can be selected, formatted, and transmitted.

- Conduct focused outreach to manufacturers, distributors, brokers, and freight forwarders to raise awareness of export control obligations, as well as potential penalties for non-compliance, and encourage industry to develop internal compliance programs.⁴
- Provide training for Customs and enforcement officers, by competent authorities⁵ so that they can identify items of concern, and increase cooperation between enforcement agencies and licensing authorities.
- Adopt and deploy appropriate screening technologies and practices and other sources of technical assistance, such as risk-based evaluation of data.
- Exchange information on policies and practices with respect to transit and trans-shipment including, where appropriate, any enforcement actions taken, with WA partners.

⁴ See also 2011 Best Practice Guidelines on Internal Compliance Programmes for Dual-Use Goods and Technologies.

⁵ Usually by the agencies responsible for identification of controlled items.